

**STANDARD CAPTION**

**STATE BOARD OF WORKERS' COMPENSATION  
270 PEACHTREE STREET NW  
ATLANTA, GEORGIA 30303-1299**

Claim No. (employee's social security number)

Date of Injury \_\_\_\_\_

Name  
Address  
City, State, Zip Code  
**Phone No.**

Employee

Company  
Address  
City, State, Zip Code  
**Phone No.**

Employer

Insurance/Service Agent  
Address  
City, State, Zip Code  
**Phone No.**

Insurer

Name  
Address  
City, State, Zip Code  
**Phone No.**  
**Federal Tax I.D. No.**

Counsel for employee

Name  
Address  
City, State, Zip Code  
**Phone No.**

Counsel for employer/insurer

**Stipulated Settlement**

***Suggested content by paragraph (liability):***

1.

The exact nature of employee's injury, name of employer, date of injury.

2.

Total amount of indemnity benefits paid to the employee, and the total amount of medical expenses paid to date.

3.

Present status of claim, e.g., employee work status and permanent partial disability rating.

4.

Detail issues of the bone fide dispute between employee and employer/insurer. Provide employee and employer/insurer contentions.

5.

Consideration paid as a compromise settlement between the parties.

6.

Information concerning participation in or need for vocational rehabilitation.

7.

Address the need for further medical attention, stating that all authorized medical has or will be paid.

8.

Provide amount of attorney fees to be paid employee's attorney. If expenses are to be paid provide an itemization for those expenses.

9.

Include the Hartman social security language on all stipulated settlements over \$5,000.00.

10.

Detail resolution of child support and/or attorney fee liens.

11.

Certify that the employer received a copy of the settlement before any party signed it.

*NOTE: The standard format for execution of stipulated settlements follows:*

**Claimant** \_\_\_\_\_  
(Type/print employee's name)

Allow 2" between claimant's signature and remaining signatures.

**Claimant's Attorney** \_\_\_\_\_  
(Type/print name)

**Employer** \_\_\_\_\_  
(Type/print name)

**Insurer** \_\_\_\_\_  
(Type/print Company name)

**By** \_\_\_\_\_  
(Type/print name of attorney for insurer)

**If employee is illiterate, or does not understand English, certification must be attached to indicate that the agreement has been read to the employee and that he or she understands its contents.**

**No-Liability Stipulated Settlement**

**Caption**

*(See Standard Caption page one)*

***Suggested content by paragraph (no-liability):***

1. *Exact nature of employee's alleged injury, name of employer, and date of alleged injury.*
2. *Employee's contentions as to rights to compensation.*
3. *Employer/insurer's contentions as to why benefits should be denied.*
4. *Agreement as to non-compensability of claim and request for award denying liability.*

***NOTE:*** *The standard format for execution of no-liability stipulated settlements follows:*

**Claimant** \_\_\_\_\_  
(Type/print employee's name)

Allow 2" between claimant's signature and remaining signatures.

**Claimant's Attorney** \_\_\_\_\_  
(Type/print name)

**Employer** \_\_\_\_\_  
(Type/print name)

**Insurer** \_\_\_\_\_  
(Type/print Company name)

**By** \_\_\_\_\_  
(Type/print name of attorney for insurer)

***In compliance with O.C.G.A. §108 and Board Rule 15 an attorney fee affidavit must be submitted with each no-liability stipulation (Board Form WC 15).***

## *Example*

### **Social Security (Hartman) Language**

Because Federal law contains an “offset” for workers’ compensation income benefits against social security disability benefits, it is beneficial to the employee to project the portion of settlement proceeds that represent income benefits over his or her remaining life expectancy. The offset rule provides that no combination of workers’ compensation and social security disability benefits can exceed 80% of pre-injury earnings. While there is no specific wording required by the Social Security Administration for offset (Hartman) language, the following example is one that may be used:

- Of the \$90,000.00 settlement, \$22,500 shall be paid as attorney’s fees to (insert attorney name), as attorney for the employee/claimant. The \$67,000.00 to be paid to the employee/claimant shall be calculated without commutation of interest, but shall represent the negotiated compromise agreement that the claimant’s life expectancy is 20.68 years forward from this date, pursuant to the Annuity Mortality Table for 1949 Ultimate, as established by O.C.G.A. §24-4-45, Appendix, Title 24, and that the settlement herein reached represents the payment of \$62.77 per week to the claimant over the balance of the 1,075.36 week life expectancy of the claimant into the future.

### **Caveats**

- ***Remember: Only social security disability benefits are subject to offset. Retirement and social security survivors’ benefits are not subject to offset because they are not based on disability.***
- The Social Security Administration will consider any amount paid in a no-liability settlement as income for offset purposes. Therefore, even though the “Covenant Not to Sue” is not sanctioned by the Board, the lifetime apportionment language should appear in the “Covenant Not to Sue” as part of an agreement between employee and employer. Munsinger v. Schweiker, 709 F.2d 1212 (8<sup>th</sup> Cir. 1983).
- PPD payments are also considered income and as such are not excluded from offset; benefits should therefore be prorated over employee’s lifetime. Davidson v. Sullivan, 942 F.2d 90 (1<sup>st</sup> Cir. 1991).
- Medical benefits to be paid as a part of the settlement are excluded from offset calculation, but be careful, Medicare will not allow shifting responsibility for legitimate expenses of a work injury from the workers’ compensation carrier to Medicare. Therefore, Medicare may refuse to pay for certain medical expenses until the portion of the lump sum has been spent and properly documented. 20 CFR 404.408(d); and, 42 C.F.R. 411.46(b)(2).

- Attorney fees and litigation costs are excluded from offset calculations.
- Generally, use of prorated lifetime apportionment should be sufficient to lessen the impact of the lump sum settlement on the employee's entitlement to Social Security Disability Income Benefits. In complicated cases, or those with high dollar settlement values, the Board urges thoughtful planning to coordinate benefit entitlement.